



May 28, 2008

Mr. Charles Terreni  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
P. O. Drawer 11649  
Columbia, South Carolina 29211

Re: Docket No. 2008-1-E

Dear Mr. Terreni:

Enclosed for filing in the subject docket is the supplemental testimony of Progress Energy Carolinas, Inc. witness Bruce P. Barkley. This supplemental testimony is to support and sponsor the Settlement Agreement entered into by and between PEC, the South Carolina Office of Regulatory Staff and Nucor Steel-South Carolina, which resolves all issues involved in this proceeding.

All parties of record have been served.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Len S. Anthony', written over a horizontal line.

Len S. Anthony  
General Counsel – Progress Energy Carolinas

LSA:mhm

Enclosures

cc: All parties of record

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**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
DOCKET NO. 2008-1-E  
SUPPLEMENTAL DIRECT TESTIMONY OF  
PROGRESS ENERGY CAROLINAS, INC.**

**WITNESS BRUCE P. BARKLEY**

1    **Q.    Please state your name, address, and position.**

2    A.    My name is Bruce P. Barkley and my business address is 410 S. Wilmington Street,  
3           Raleigh, North Carolina. My position is Manager–Fuel Forecasting and Regulatory  
4           Support for Progress Energy Carolinas, Inc. (“PEC”).

5    **Q.    Have you previously submitted pre-filed testimony in this proceeding?**

6    A.    Yes. On April 30, 2008, I caused to be pre-filed 17 pages of direct testimony and  
7           12 exhibits.

8    **Q.    What was the purpose of your previous testimony in this proceeding?**

9    A.    The purpose of my previous testimony was to review PEC’s fuel costs for the  
10          historical period, April 2007 through February 2008, support the reasonableness of  
11          these costs, present projected fuel costs for the period March 2008 through June  
12          2009 and recommend a fuel factor to be effective July 1, 2008. I also presented  
13          historical and projected environmental costs.

14   **Q.    What fuel factor did you recommend the Commission adopt for PEC to be**  
15          **effective July 1, 2008?**

16   A.    I recommended the Commission adopt a fuel factor of 3.151 cents per kilowatt-  
17          hour for the 12-month period July 2008 through June 2009. This factor consisted  
18          of a component for recovery of projected fuel expense for this period of 2.991 cents  
19          per kilowatt-hour and a component to collect the projected under-recovery as of

1 June 30, 2008 of .160 cents per kilowatt-hour. I also recommended environmental  
2 component billing factors of .115 cents per kilowatt-hour for the Residential Class,  
3 .125 cents per kilowatt-hour for the General Service (non-demand) Class and 26  
4 cents per kilowatt for the General Service (demand) Class.

5 **Q. What is the purpose of your supplemental direct testimony?**

6 A. The purpose of my supplemental direct testimony is to support and sponsor the  
7 Settlement Agreement entered into by and between PEC, the South Carolina Office  
8 of Regulatory Staff and Nucor Steel-South Carolina, which resolves all issues  
9 involved in this proceeding.

10 **Q. Please describe the Settlement Agreement?**

11 A. Basically, the Settlement Agreement accepts PEC's projected fuel costs for the  
12 period July 1, 2008 through June 30, 2009 as reflected in Exhibit No. 6 of my April  
13 30, 2008 pre-filed testimony as reasonable, and finds that PEC is entitled to recover  
14 its under-recovery as of June 30, 2008 in the amount of \$11,101,563 as adjusted to  
15 reflect the recommendations of ORS Witness Sharon G. Scott in her settlement  
16 testimony. It also establishes the fuel and environmental cost component of PEC's  
17 fuel factor.

18 **Q. Is the Settlement Agreement in the public interest?**

19 A. Yes, the Settlement Agreement is in the public interest. The Agreement allows  
20 PEC to recover its just, reasonable and prudent fuel cost in an equitable and fair  
21 manner and properly implements the intent and spirit of S.C. Code Ann. § 58-27-  
22 865(A)(1).

1    **Q.**    **Does this complete your testimony?**

2    **A.**    **Yes.**

STATE OF SOUTH CAROLINA  
BEFORE THE PUBLIC SERVICE COMMISSION

DOCKET NO. 2008-1-E

In the Matter of:

**Carolina Power & Light Company,  
d/b/a Progress Energy Carolinas,  
Inc., - Annual Review of Base Rates  
for Fuel Costs**

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) )  
**CERTIFICATE OF SERVICE**


I, Len S. Anthony, hereby certify that the supplemental testimony of Progress Energy Carolinas, Inc. witness Bruce P. Barkley has been served on all parties of record electronically, by hand delivery or by depositing said copy in the United States mail, postage prepaid, addressed as follows this the 28th day of May, 2008:

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Len S. Anthony  
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